

## **EXECUTIVE SUMMARY**

### **Yukon Delta Fisheries Development Association's 2006-2008 Community Development Plan Application Community Development Quota Program**

The Yukon Delta Fisheries Development Association (“YDFDA”) has taken the opportunity, in preparing this CDP, to assess and build upon the historic changes described in our previous application. When written, the 2003-2005 YDFDA application foresaw a significant new direction for the company – to become actively involved in regional economic development. In fact, YDFDA could see that it is the only regionally-based entity capable of providing significant economic benefits to its member communities. The centerpiece of this initiative was to be an investment in the Yukon River salmon fishery that would make YDFDA the major buyer on the river.

Nearly two years later, YDFDA can report success. Through Kwikpak Fisheries, LLC, YDFDA is a leader in the Yukon River salmon fishery. In fact, it is the only company participating in the fishery throughout the season and throughout all of the lower Yukon River fishing areas, serving both member and non-member communities alike. For a fishery that appeared to be dying just three years ago, the 2004 harvest was the largest since 1999. By developing and implementing an aggressive marketing program and by ensuring competitive grounds prices, YDFDA has been able to bring substantial benefits from the CDQ program home to the lower Yukon region. What is even more significant is that YDFDA is the leader in developing the domestic market for Yukon River salmon. What could have been a difficult transition from a shrinking Japanese market to an undeveloped domestic market has been virtually seamless, resulting in a growing demand that actually increased grounds prices paid to the fishermen in 2004. For in the final analysis, it is the benefit that the fishermen and local processors can obtain from locally-available resources that validates the CDQ program and provides hope for an economic future in the region.

While it is obvious that a major reason for YDFDA to be so involved in regional fisheries is that there are locally-available resources that can be utilized and contribute to a regionally-based fishing economy, that is only part of the story. What sets the YDFDA region apart from at least some of the CDQ regions is the reliance that lower Yukon River fishermen have on commercial fisheries. This became evident during the early 2000's, when poor returns resulted in the shut down of the commercial fishery. The non-governmental local economy is dominated by commercial fisheries. Most families participate at least to some extent in the commercial fisheries. Commercial fisheries are necessary to support the subsistence economy. So by becoming active in the commercial fishing industry on the Yukon River, YDFDA is not simply meeting some requirement of the CDQ program, but has become an integral part of the very core of life in its region.

Given that the Yukon River salmon fishery primarily targets Yukon kings and there are limited numbers of them available each year, the next level of participation by YDFDA in the fishery will be to increase the amount and types of processing done in-region. Not only does this make sense from an economic standpoint, it also provides more opportunity for region residents. And, with the return of healthy runs of chum salmon, particularly the higher valued fall chum, marketing efforts similar to those created for the Yukon kings are necessary to bring some significant benefit to the region's fishermen. For the 2006-2008 allocation period, this means that YDFDA will be dedicating significant new resources into in-region fisheries related projects, including expansion of its Emmonak and satellite fish buying and processing facilities.

YDFDA's regional economic development initiative is not limited solely to the salmon fishery. In the fall of 2003, a pilot project was implemented to determine the feasibility of harvesting and selling Arctic lamprey. Fishermen from the member communities of Mountain Village and Grayling, and the non-member community of St. Mary's, participated in the harvest. Through YDFDA's leadership, markets have been secured that will guarantee a second year of fishing in 2004. While the long term viability of this fishery has not been confirmed, the outlook is very promising. If ultimately successful, it will provide an opportunity for fishermen to extend their season, which currently is limited to a few weeks of fishing in the summer.

In addition to salmon and lamprey, YDFDA is assisting fishermen who participate in the Norton Sound crab fishery. By supplying harvesting vessels to the fishermen and ensuring long term access through the purchase of limited licenses, YDFDA is providing yet another opportunity for Yukon River fishermen to round out their season and another opportunity for YDFDA to expand its regional seafood business, as this fishery occurs between the king and fall chum salmon seasons. Other regional fishing opportunities show lesser chances for success. The saffron cod and herring fisheries lack a market and, to date, YDFDA fishermen have not been able to locate halibut in nearshore waters accessible from the delta communities. At the same time, YDFDA is not giving up on new opportunities for the region's fishermen and will investigate further underutilized fisheries for clams, shrimp, snails, whitefish, and cisco. So, in addition to rounding out the fishermen's season, these fisheries will contribute to rounding out Kwikpak's operation and together will justify continued expansion of the in-region fisheries infrastructure.

YDFDA also is operating other projects in support of the region's fisheries. The aluminum welding business in Alakanuk has built and sold 48 boats suitable for use in the Yukon River fisheries. Not only does this business produce jobs and support the fishermen, but it provides platforms for the fishermen to deliver a higher quality product that is required in today's market conditions. The shop also repairs skiffs, a service that is not available elsewhere in the region. The current facility is very basic and a new facility, in conjunction with a new fisheries support center, will be constructed in this upcoming CDP allocation period. Finally, in order to be able to obtain a boat, a fishing permit, or other equipment, YDFDA supports a loan guarantee program, which assists fishermen who have limited capital means.

All of the success in this story can be attributed to the strong financial condition that YDFDA has been able to attain as it moves towards its goal of becoming a self-sustaining, diversified fishing company. YDFDA has made incredible strides in this direction over the past

three years alone, increasing its net assets by 380%. YDFDA has employed the following investment strategy to make this possible:

- Use CDQ royalties to accumulate capital;
- Use the capital and the leverage of the CDQ allocations to invest in high quality harvesting and processing companies in targeted sectors;
- License CDQ allocations to those companies;
- Obtain the benefits from those licenses through royalty agreements, ownership profit-sharing, and wages to our residents working for those companies; and
- Continue to increase the benefits by making new investments that improve the profitability of existing investments and open up new avenues for investment.

Following this strategy, YDFDA leveraged its licensing of pollock CDQ into the purchase of an ownership interest in the M/V Golden Alaska, which participates in the pollock mothership sector. Then, it supported this investment by purchasing a majority interest in the F/V American Beauty and the F/V Ocean Leader, two vessels that deliver their catch to the M/V Golden Alaska. YDFDA currently is in negotiations to purchase interests in two additional catcher boats that also will deliver their catch to the mothership. Similarly, YDFDA leveraged its licensing of cod and crab CDQ to purchase interests in the C/P Baranof and the C/P Courageous.

The next step in YDFDA's strategy is to build upon the investments that have been made thus far. As a result of efforts to rationalize the Bering Sea fisheries, the prime consideration for new investments is how the harvest opportunities being purchased can best be employed to maximize profits of both new and existing investments, optimize CDQ royalties, and provide opportunities for jobs. For example, YDFDA is in a position to maximize profits in how it uses the harvest history of the C/P Baranof and C/P Courageous in conjunction with the CDQ allocations. Once rationalization plans are implemented, by owning vessels and, even more importantly, by owning harvest history, vessels will be used to harvest IFQs, CDQs, and open access in ways that best increase revenues and reduce expenses. By being in a position to stack quota on a vessel, CDQ that is no longer needed to maximize profits with the existing fleet can then be used to leverage investments in new harvest opportunities (e.g., harvest history or vessels).

The opportunities in the pollock mothership sector are even greater. By bringing new mothership cooperative quota to the M/V Golden Alaska, CDQ no longer needed on that vessel will be either licensed independently or leveraged into investments in the pollock sector, as the opportunities present themselves. Consequently, in 2004, YDFDA has invested in two additional mothership catcher vessels that will begin to deliver their catch to the Golden Alaska, and has licensed on the open market 5,000 mt of pollock CDQ that is no longer required to support that operation. The result, undoubtedly, will be higher profits for the M/V Golden Alaska, higher royalty revenues, and new investment opportunities.

Investments in seafood, in new offshore harvesting and processing platforms, and in non-fisheries-related projects that provide benefits to the member communities are important, but do not achieve their potential without a capable work force. In a region already beset by the highest

unemployment in the State, the numbers of residents who will enter the workforce is increasing at a staggering rate. According to the 2000 census, during this decade, there will be at least 350 additional residents seeking work in the member communities in the age group - 19 to 34 years old - that YDFDA targets for its employment programs. This is a 30% increase in the potential work force.

In addition to the number of residents reaching the age of 19, YDFDA recognizes that there also is continuing growth in the school age population in the region. YDFDA believes that it is in a unique position to assist the region's young residents to reach their potential. One of the most innovative projects currently in place is the partnership with Alaska Works Partnership and the Lower Yukon School District to place at least fifteen high school seniors and recent graduates in a summer trades academy in St. Mary's. One of the basic needs in the region is to have workers trained in the construction trades so that they are hired for jobs rather than importing workers from outside the region. This program is intended to do just that, by providing training to highly motivated young adults in a local setting. This program will continue to be expanded in the coming years.

This program merely highlights, however, the emphasis that YDFDA is placing on human resources development and impacting the burgeoning demand resulting from the growth in the work force. Beginning with the new CDP period, if not sooner, YDFDA will be upgrading its human resources program into a Human Resources Department. This upgrade will not be in name only, but will provide real benefits to the region's residents. By combining the employment, training, internship, and scholarship programs, and by taking a more in-depth interest in each person who enters a YDFDA program, individualized, long-term plans can be developed that include some or all of the components of the department's programs. YDFDA seeks to be the place that residents think about first when it comes to seeking a job, training, or a scholarship. Clearly, with the need growing at such a rapid rate, YDFDA's plan to increase staffing in the human resources area is well-founded.

A major strength of YDFDA is its connection to the communities that it represents in the CDQ program. By having a significant presence in the region on a daily basis, YDFDA is able to maintain a relationship with its member residents that is not equaled elsewhere in the CDQ program. However, in developing this application, we did not rely upon this informal contact alone, but rather held meetings with leaders in each community to solicit their suggestions both about existing programs and ideas for new initiatives. These meetings, conducted during the spring of 2004, achieved their intended results. Suggestions for improving existing programs include tying the fishermen's loan and boat building programs into the Kwipak operation so as to ensure easier access to needed equipment; instituting quality training programs for fishermen and processing workers to ensure that the seafood products from the region meet market demands; increasing the availability of ice to more fishermen in more communities; increasing the amount of processing conducted in satellite locations; as well as new ideas on how to develop underutilized resources, such as clams, shrimp, snails, cisco, and whitefish.

These meetings resulted in several new projects that the Board has endorsed for the 2006-2008 allocation period. A consistent theme in each of the communities was the need to have more technicians trained to repair small engines and other mechanical equipment used in the

fisheries. Currently, there are no certified mechanics capable of completing warranty work, requiring fishermen to either send their equipment to Anchorage or Bethel or to buy something new. By training local residents to become certified technicians and by establishing a system for accessing parts, YDFDA can significantly reduce the costs of equipment to the fishermen. To begin to address this need, YDFDA is proposing to construct a fisheries support center in Alakanuk as part of a new aluminum welding facility. The Board also has endorsed a project to re-start value-added seafood production in the region.

As the community leaders and the Board look at the opportunities in the region and the programs that are currently in place, they have concluded that there is still a great deal that needs to be done if YDFDA is to capitalize on all of the potential fisheries-related opportunities described in this CDP. Consequently, while the time is coming to begin investigating non-fisheries related projects, YDFDA will continue to focus primarily on fisheries-related projects at this time.<sup>1</sup>

One final area deserves emphasis at this point. A critical look at the lower Yukon Delta points out the need for a regionally-based economic development entity serving the region as a whole, and that means the non-member communities between Grayling and Mountain Village as well. How is the region going to be able to take advantage of the potential economic opportunities from the Donlin Creek mine? How is the fuel distribution problem going to be resolved? These questions and others are bigger than individual communities can handle as they affect them all. However, with the decertification of the local ARDOR and the lack of an alternative, the responsibility falls to the one entity that has the capability of serving this important function. YDFDA has begun the process through the hiring of the rural development specialist position and the establishment of the Iqalliarvik Economic Development Corporation, a regional economic development corporation charged with answering these and other planning questions.

#### **A. NAME OF APPLICANT**

**Yukon Delta Fisheries Development Association (YDFDA)** is an Alaskan not-for-profit community development corporation formed in 1992 for the express purpose of stabilizing and developing the economic base of the region known as the Yukon River Delta.

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During the community meetings, several ideas for non-fisheries-related projects were identified. These include arts and crafts marketing and support; gravel mining and transport; general contracting; and fuel storage and distributorships. Many of these projects will be joint ventures with existing businesses that do not have the capital resources to operate at an optimal level. The problem was highlighted this spring when fuel had to be flown into the region, because the local distributors did not have the resources to top off their tanks in the fall. Given the continuing opportunities in the fisheries arena and the limited amount of funds that YDFDA will be able to invest in these non-fisheries related businesses, only one or, at the most, two of these projects will be able to be pursued each year.

## B. TOTAL CDQ & PSQ ALLOCATION REQUEST IN PERCENTAGE

### 1. Table

Species or Species Group	Allocation Request %
Pollock	17%
Pacific Cod	20%
Sablefish FG BS	31%
Sablefish FG AI	14%
Sablefish Trawl BS	22%
Sablefish Trawl AI	21%
Atka Mackerel AI Western	20%
Atka Mackerel AI Central	20%
Atka Mackerel AI Eastern/BS	20%
Yellowfin Sole	27%
Rock Sole	23%
Greenland Turbot BS	20%
Greenland Turbot AI	19%
Arrowtooth Flounder	22%
Flathead Sole	20%
Other Flatfish	26%
Alaska Plaice	14%
True Pacific Ocean Perch BS	16%
WAI Pacific Ocean Perch	20%
CAI Pacific Ocean Perch	20%
EAI Pacific Ocean Perch	20%
Northern Rockfish	18%
Shortraker Rockfish	19%
Rougheye Rockfish	19%
BS Other Rockfish	19%
AI Other Rockfish	19%
Other Species	20%
<b>Prohibited Species</b>	
Zone 1 Red King Crab	23%
Zone 1 Bairdi Tanner Crab	26%
Zone 2 Bairdi Tanner Crab	24%
Opilio Tanner Crab	25%
Pacific Halibut	23%
Chinook Salmon	14%
Non-Chinook Salmon	14%
<b>Species or Species Group</b>	
Halibut 4D	27%
Crab	
Bristol Bay Red	18%
Norton Sound King	50%
Pribilof Red King	0%
Pribilof and St. Matthew Blue King	12%
C. Opilio (BS)	17%
C. Bairdi (BS)	17%
EAI Brown	20%
Adak Red	20%

## 2. Justification for CDQ Request

YDFDA is seeking an increase in its CDQ allocations for five species groups and to continue its current allocations for the remainder. YDFDA believes that its performance to date and plans for the upcoming allocation period fully justify allocations at the current levels. By any measure, YDFDA can claim that it is successfully participating in the CDQ program.

- Between 1999 and 2003, YDFDA's net assets grew four and one-half times.
- YDFDA has made numerous investments in the pollock, cod, crab, sablefish and halibut fishing sectors in the Bering Sea, all of which are profitable.
- YDFDA has established itself in a prominent role in the Yukon River salmon fishery and is the only entity developing additional commercial fisheries in the region.
- Over the course of the CDQ program, YDFDA has touched virtually every household in its member communities through its employment, training, and scholarship programs, and in its fish buying and processing, loan, and boat building programs.

For a variety of reasons detailed below, YDFDA believes that it should be awarded increases for pollock, Pacific cod, Atka mackerel, Pacific Ocean Perch, and Area 4D halibut during the 2006-2008 allocation cycle.

As it has in previous CDPs, YDFDA again raises the issue of the two new communities added in 1999 for which no additional CDQ was allocated. While several of the CDQ groups incorporated new communities into their programs, no group saw such a large increase as YDFDA, which grew by 30%. Programs have expanded to address the needs from this added population. Additionally, due to the large geographic gap between Grayling and Mountain Village, YDFDA has expanded its programs to serve the eight communities not included in the CDQ program, but which are functionally a part of the Lower Yukon region.

Another aspect of the increasing need to expand programs is related to the net increase in the number of young people entering the 19 to 34 year age group as compared to those leaving during the current decade. The net increase is 350 residents who are or will be looking for employment opportunities during this time period. This reality compounds the already difficult situation of having the highest unemployment rates in the State.<sup>2</sup> It demands attention, which YDFDA will be addressing through the creation of a Human Resources Department and the hiring of additional HR staff.

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<sup>2</sup> According to Alaska Department of Labor statistics, the official unemployment rate in the Wade Hampton Census Area was 26.1% in August 2004, the highest in the State. Unemployment rates in Wade Hampton have not been below 20% since December 2001. Five of the six YDFDA communities are located within the Wade Hampton area.

A third general point relates to the emphasis that this CDP places upon fisheries-related projects. While it is likely that non-fisheries-related projects will be allowed during the allocation period, YDFDA recognizes that a large need remains to be filled prior to venturing off in that direction. Clearly the growth required in the human resources programs is at the top of the list, but there are other pressing needs as well. While YDFDA began with an understandably cautious approach to the Yukon River salmon fishery, current trends in the strength of the runs and in the markets being developed justify further investment. The existing processing barge needs upgrading so that all of the salmon can be processed locally; further improvements are needed in Emmonak's shore based facilities to begin value-added production on site; housing may be required to employ crew from other communities outside of Emmonak; and small satellite facilities are needed in at least two additional communities where delivery to the Emmonak facility is impractical. Kwikpak will need to upgrade and expand its facilities and fleet to participate in the Norton Sound crab fishery as well as the developing fisheries for clams, shrimp, snails, cisco, and whitefish. Improvements are needed for the lamprey fishery. Finally, construction of a new aluminum boat building facility, tied to a larger fisheries support center in Alakanuk, is a project that needs to be completed if the maximum value is to be obtained from the Yukon River fisheries. This is an ambitious project list that justifies additional resources through increased CDQ allocations.

One last general comment prior to addressing the specific increase requests concerns the growth in staffing that is required to carry out YDFDA's expanded program. Usually, CDQ groups draw attention to their small administrative size and budgets or try to avoid the subject altogether. However, as the programs grow and responsibilities of a CDQ group increase, growth of staff to handle the expanded responsibilities is not only prudent, but necessary. YDFDA has maintained a very lean management structure since its inception and will continue to act conservatively. But now, it must grow to match the expansion of its region, its programs, and its responsibilities.

a. Pollock

YDFDA is requesting an increase of 3% to 17% of the pollock CDQ allocation for the 2006-2008 period. YDFDA bases this request upon the general factors listed above, plus two additional factors related directly to the pollock allocation. First, at the inception of the CDQ program, YDFDA received an allocation of 5%, despite the fact that this was well below its population size and level of need in relation to the other CDQ groups. While the pollock allocation increased to the current 14% level, the initial low allocation meant that YDFDA did not have nearly the resources that other CDQ groups have had to begin their development process. YDFDA has been playing catch up ever since. Despite this disadvantage, YDFDA has done a good job with the resources at hand and continues to bring significant benefits to its member communities, at least on a par with the other groups. Yet, in the world of the Bering Sea fisheries, with the institution of various forms of rationalization, YDFDA must compete with the other groups with significantly greater cash reserves for ever more expensive assets as if it were a level playing field. A 3% increased allocation at this point in time would enable YDFDA to make additional investments that support its investment strategy directed at making the



best use of its overall harvest opportunities and achieving the highest value possible from its CDQ allocations.

This last point is the most important. YDFDA is taking actions in a strategic manner that increase the profitability of its current pollock investments, while at the same time increasing the value of the CDQ that it licenses. This is accomplished by investing in new mothership cooperative quota to be delivered to the Golden Alaska and using the displaced CDQ to leverage new investments or license on the open market. As a result, during 2005, YDFDA will license 5,000 mt on the open market, increasing the royalty income it receives from pollock CDQ (See Appendix VI, Golden Alaska tab, which shows the increase in royalties beginning in 2005). By continuing to invest in this manner, YDFDA will not only bring home the highest value from the Bering Sea resources to the State, but also will be in a position to increase greatly the benefits that it provides to its residents.

#### b. Pacific cod

YDFDA seeks an increase of its Pacific cod allocation to 20% from its current 19% allocation. Since the institution of the multi-species program, YDFDA has made every effort to harvest its entire allocation. In some years, this has been difficult due to the timing and length of the open access seasons. To address this, YDFDA has contracted with up to 6 different vessels to participate in the CDQ harvest. During the 2004 “A” season, YDFDA harvested its entire allocation.

There are several reasons why YDFDA requests the increased allocation. First, YDFDA has invested heavily in the cod fleet through the C/P Baranof and C/P Courageous. Second, YDFDA is planning on new investments in the cod fishery and the CDQ allocation will provide additional leverage to accomplish this. And third, when the flatfish CDQ allocations began as part of the Multi-Species program, cod was allocated for bycatch whether or not it actually was used as such or simply added to the directed cod fishery. Now, YDFDA is participating actively in the flatfish fishery, in conjunction with other CDQ groups. As cod that had been used in the directed fishery is now being used, as it was originally intended, as bycatch in the flatfish fishery, those groups that are actively participating in the flatfish fishery should receive an increase in their cod allocation to be used as bycatch so as not to have to reduce their directed fishery, while those that do not target the flatfish continue to use their cod allocations in the directed fishery.

#### c. Atka mackerel/Pacific Ocean Perch

YDFDA’s Atka mackerel and POP allocations were reduced by 2% in a previous allocation period. This is despite the fact that YDFDA has taken the lead, with three other CDQ groups, on a directed flatfish/Atka mackerel/POP fishery with U.S. Seafoods. This level of participation in the Atka mackerel/POP fishery is on a par with the efforts of any other CDQ group. As a result, YDFDA should be made whole by returning its allocation of these species complexes to the 20% level.

d. Area 4D halibut

YDFDA's Area 4D halibut allocation has been reduced from 27% to 23% to the current 20% level over a series of allocation periods. YDFDA seeks a return to the 27% allocation level. YDFDA has done everything possible to make sure that the fishery is harvested by local residents. First, it harvests the offshore allocation on the F/V Lisa Marie, a 100% YDFDA owned vessel, crewed largely by residents of its member communities. Second, YDFDA continues to test fish for halibut in nearshore areas accessible from its communities. In addition, YDFDA has fully harvested its Area 4D halibut allocation each year since the inception of the CDQ program, while some other CDQ groups have left portions of their allocations unharvested. YDFDA will continue its efforts to increase the benefits that its communities receive from this fishery.

**C. COMMUNITIES REPRESENTED WITHIN THE APPLICATION**

YDFDA represents the remote and isolated Native Alaskan communities of:

- Alakanuk
- Emmonak
- Grayling
- Kotlik
- Mountain Village
- Nunam Iqua

At the inception of the CDQ program, YDFDA consisted of four communities: Alakanuk, Emmonak, Kotlik, and Nunam Iqua. Mountain Village and Grayling became members in 1999. The villages of Hamilton, Bill Moore's Slough, Chunloonawick and Chaniliut are also remote villages within the geographic scope of the association. These villages are traditional homes of many Yukon Delta residents and serve as seasonal fishing camps. Both the U.S. Bureau of the Census and the Alaska Native Claims Act recognize them as communities. Therefore, Yukon Delta directly represents *ten traditional* villages in the Yukon Delta region. Additionally, due to the wide geographical gap between Grayling and Mountain Village, YDFDA has extended its programs to include another eight communities, bringing the total number of inhabited communities served to fourteen.

**D. DESCRIPTION OF THE MANAGEMENT ORGANIZATION**

YDFDA is wholly responsible for the management of the CDQ allocation and associated community development programs. The management of the organization consists of a Board of Directors, an Executive Director, Project Staff and six Village Representatives. Twenty-five of the 27 YDFDA Board of Directors and staff were born or have lived in the Yukon Delta communities represented by the YDFDA. This familiarity ensures that our projects are in keeping with the needs, desires, and cultural traditions of the Yukon Delta Region.

**Board of Directors.** YDFDA's 13 member Board of Directors is entrusted with both overall authority and responsibility for the management of the organization's not-for-profit and for-profit subsidiary corporations.

**YDFDA BOARD OF DIRECTORS**

- Axel Alstrom, Secretary/Treasurer - Alakanuk
- Frank Alstrom, Jr. - Alakanuk
- Billy A. Charles, Chairman - Emmonak
- Raymond Waska, Sr. – Emmonak
- Emmanuel Keyes - Kotlik
- Mary Keyes- Kotlik
- Stanley Pete, Sr. - Nunam Iqua
- Frank Camille - Nunam Iqua
- Jason Borkowski - Mountain Village
- Fred Beans - Mountain Village
- Carl Walker, Vice Chairman - Grayling
- Margie Walker – Grayling
- Vacant – Grayling

**Executive Director:** Ragnar Alstrom is the Executive Director. As executive director, he is responsible for the day-to-day management of YDFDA.

**Financial Advisory Board:** YDFDA's Financial Advisory Board provides assistance with investment and business decisions. The Financial Advisory Board is made up of 5 individuals. Three are independent of YDFDA with experience in the areas of finance, fisheries, vessel management, and investments. Two are appointed from YDFDA's Board of Directors. The board members were added to provide a regional viewpoint on potential investments. The Board reviews business plans for all capital investments over \$100,000.

Members of YDFDA's Financial Advisory Board are:

- Tim Baer, Senior Vice President, Banner Bank
- Lou Fleming, President, Golden Alaska Seafoods, Inc.
- Steve Hughes, President, Natural Resources Consultants, Inc.
- Frank Alstrom, Jr., YDFDA Board of Directors
- Carl Walker, YDFDA Board of Directors

**E. GOALS AND OBJECTIVES/MILESTONES<sup>3</sup> OF THE CDP**

**Goal:** Build a self-sustaining, diversified fishing company.

- Make investments in fishing vessels, catch history, cooperative rights, and IFQ that

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<sup>3</sup> See, Part Two, Section 1.b. for a complete list of the project milestones to be completed as part of the CDP.

- maximize profitability of both new and existing assets,
- optimize CDQ royalties, and
- provide employment opportunities.
- Require accountability for assets managed by non-YDFDA controlled entities.
- Begin to build in-house seafood industry management capabilities.
- Adhere to YDFDA's investment policy.
- Rely on the Financial Advisory Board for guidance on investments.

**Goal:** Establish a major role for YDFDA in the economic development of the region.

- Incorporate the regional fisheries development programs under the auspices of Kwikpak Fisheries, LLC.
- Investigate and, where feasible, expand Kwikpak operations to include seafood harvesting, processing, and marketing for species in addition to salmon.
- Increase the amount of in-region production from regionally harvested seafood.
- Provide fishermen with increased opportunities to participate in commercial fisheries.
- Participate in existing businesses (e.g., aluminum boat fabrication, cultural tourism fish camp) and new business ventures (e.g., fisheries support center) that increase economic activity within the region.
- Participate in regional economic development planning, provide technical assistance to other entities, and promote economic development activities.
- Look to expand into other regional economic development activities.

**Goal:** Establish a Human Resources Department providing existing and expanded services to the residents of the YDFDA region.

- Include employment, training, apprenticeship, scholarship, and counseling services.
- Place residents in offshore fishing industry positions; in Kwikpak operations; as interns in private companies; in vocational training programs; award scholarships to in-region residents as well as to residents from nearby communities; and provide career counseling services.
- Provide for the Board of Directors and for village representatives on an annual basis.

**Goal:** Maintain a competent and efficient administration that relies to the extent practicable on regional residents.

- Increase staffing to meet the expanded needs of YDFDA's programs.
- Continue limitation on administrative expenses to no more than 20% of annual revenues.
- Provide a minimum reserve of one year's operational expenses.

## **F. DESCRIPTION OF THE CDP PROJECTS IN THE PROPOSED CDP**

### **Proposed For-Profit CDQ Projects**

Since the inception of its Bering Sea seafood industry investment program, YDFDA's strategy has been to invest in financially successful, well-managed seafood companies that can benefit from fishing CDQ quota. This strategy has established a strong foundation for YDFDA as it works towards the goal of building a self-sustaining, diversified fishing company. To date, the bulk of the investment dollars has gone into purchasing vessels, along with some halibut and sablefish IFQs.

Now, with the rationalization of the Bering Sea seafood industry, the strategy is being refined to concentrate on harvest opportunities rather than on harvesting vessels and processing plants. This means that the primary considerations are how any new investment will maximize the profitability of the new investment coupled with existing assets, optimize the value of the CDQ allocation, and provide opportunities for employment for lower Yukon area residents.

YDFDA has developed the capability, through its in-house staff and with the assistance of its Financial Advisory Board, to make these types of investment decisions. While it will be some time in the future before YDFDA will be managing the companies and vessels that make up its investment portfolio that day will be coming. The Alaska fishing industry is made up primarily of owner-operator businesses and partnerships/LLCs, whose owners may not want to remain in the industry indefinitely. As these owners and managers move in other directions or retire, YDFDA will have to take on more of the management in-house. Recognizing this, YDFDA will begin to strengthen its seafood industry operational management capabilities during this CDP period.

In summary, the guidelines we consider in making specific equity investments are:

1. The investment must be consistent with YDFDA's strategy for participation in the CDQ program and the seafood industry.
2. To the extent that the investment involves vessels or processing assets, it must be in existing, successful seafood companies that have sound management and are financially strong. Existing management must remain as owners and continue to manage the company for at least a set period of time.
3. The investment must enable YDFDA to increase its overall financial return from its investments and optimize the use of the CDQ allocations.
4. The investment must allow YDFDA to increase its initial investment over time and provide the opportunity for additional investments in the company or its affiliates.
5. The investment must provide employment and training opportunities for YDFDA residents. The company management will be committed to hiring and training qualified YDFDA residents consistent with maintaining a profitable operation.

After the decline of the salmon runs in 1999 and 2000, it became apparent that the Yukon Delta Fish Marketing Cooperative would no longer be operating in Emmonak, leaving only one salmon processor in District Y1 and one buyer in Y2. YDFDA decided to create Kwipak

Fisheries to ensure that there was a competitive third buyer and a market for all salmon that could be harvested from the river. After three years of operations, this assumption has been proven as Kwipak Fisheries is the only company buying kings throughout the run and the only company buying fall chums and cohos for the last two years.

As part of its strategic plan, Kwipak Fisheries has set the following guidelines when evaluating new investments and operations:

- To ensure there is a healthy commercial salmon fishery on the lower Yukon River;
- To ensure there is a market for the fishermen;
- To return the highest possible price to the fishermen;
- To create new economic activity through its processing operations; and
- To lead in the development of other regional fishery resources.

Based on these guidelines, we have identified the following potential investments that could occur during the allocation period.

### **1. Additional Investments in the Bering Sea Seafood Industry**

As part of the long-term strategy to become a self-sustaining, diversified fishing company, YDFDA will consider investing in harvesting and processing opportunities, including catch history, cooperative shares, IFQs, vessels, and shoreside assets participating in the pollock, Pacific cod, and crab fisheries of the Bering Sea.

### **2. Additional Investments in Regional Fisheries**

Kwipak Fisheries, LLC is a wholly owned subsidiary of YDFDA and the centerpiece of our commitment to regional fisheries development. Kwipak Fisheries will investigate and consider new investments in its physical assets in Emmonak, Kotlik, and Mountain Village; vessels and other support facilities needed to participate effectively in the Norton Sound crab and Arctic lamprey fisheries; and other investments needed to operate test fisheries and develop the underutilized species of clams, shrimp, snails, cisco, and whitefish.

## **Active For-Profit CDQ Projects**

### **1. Investment in the Bering Sea Seafood Industry**

YDFDA has the following equity investments:

- Golden Alaska Seafoods (“GASLLC”), LLC, which owns the *M/V Golden Alaska* a pollock mothership.
- Alakanuk Beauty, LLC and Emmonak Leader, LLC, which own the catcher boats, the *F/V American Beauty* and *F/V Ocean Leader* that deliver to the mothership and shoreside to Peter Pan Seafoods.

- 
- *F/V Lisa Marie*, 78' combination vessel, which participates in both the CDQ, IFQ, and open access crab, sablefish, and halibut fisheries.
- Romanzof Fisheries, LLC, which owns the *C/P Baranof* that harvests and processes king, bairdi and opilio crab, Pacific cod and IFQ sablefish.
- Akulurak, LLC, which owns the *C/P Courageous* that harvests and processes Pacific cod.
- Halibut and Sablefish IFQ Quota Shares. The IFQ shares are leased to provide additional royalty income to YDFDA. Vessels in which YDFDA has ownership, such as the *F/V Lisa Marie*, *C/P Baranof*, and *C/P Courageous* are given first opportunity to lease the IFQ, allowing them to increase the number of days they operate and thereby their profitability. The additional fishing days provide additional employment for Yukon Delta residents.

These vessels provide significant income to YDFDA and employment opportunities for residents of the region.

## **2. Investment in Regional Fisheries**

Kwikpak Fisheries, LLC is the centerpiece of YDFDA's investment in regional fisheries. Kwikpak purchases, processes, markets, and sells Yukon River salmon and has pioneered the Arctic lamprey fishery by operating the project, including provision of gear to the fishermen and securing of a stable market. Kwikpak is supporting Yukon Delta participation in the Norton Sound crab fishery through making the *F/V Kuzilvak* and other vessels available to Yukon Delta fishermen for harvesting operations and purchasing vessel licenses that may be required in the future. Kwikpak also is responsible for supporting development into underutilized species. During the upcoming CDP period, all of YDFDA's regional fisheries operations will be coordinated through Kwikpak. This broadening of Kwikpak's mission will facilitate the delivery of services to the region's fishermen.

## **Proposed Non-Profit Projects**

### **1. Fisheries Support Center**

In conjunction with the construction of a new aluminum welding facility planned for Alakanuk, YDFDA will construct a new fisheries support center. The purpose of the center is to provide a facility where fishermen can repair their vessels and motors, and have access to the parts and supplies needed for repairs and upgrades – the center will be staffed by a certified mechanic. The facility is intended to save fishermen money by reducing the costs of repairs and the necessity of purchasing new equipment, while providing employment opportunities for trained mechanics. The center and Kwikpak's operations will be tied together closely to ensure a stable financial base.

## **Active Non-Profit CDQ Projects**

### **1. Cultural Tourism – Fish Camp Experience**

The goal of this project is to diversify the economic base of the villages in a manner that respects the desires of the residents and stays within the scope of being fisheries related. YDFDA intends to offer a visitor experience centered on life in a traditional summer fish camp. YDFDA aims to have a fish camp program true to traditional Native culture and experiences, coupled with other visitor programs, such as birding in the world class Yukon Delta National Wildlife Refuge. We recognize that Bush Alaska is not for most travelers, so the target market will be small groups seeking a unique cultural immersion and wilderness experience. Initial investigations show that there is a market for this type of business. Given the lead time necessary to complete planning, infrastructure improvements, and marketing, the first guests will be booked for the 2006 season.

### **2. Human Resources Department**

While many of the components of the to-be-created Human Resources Department have been in place since the inception of the CDQ program, the creation of a department is a significant step in the commitment of YDFDA to the residents of the region. For, YDFDA seeks to be the entity that residents think of first when they are looking for a job, for a training program, or for a scholarship. The department will include YDFDA's comprehensive jobs, training, internship, and scholarship programs. The purpose of including all of these components within the department is to ensure that the full range of options for personal advancement is available to each resident entering into a YDFDA program. Further, the department will be in a better position to provide services as YDFDA's programs expand beyond those that are primarily fisheries-related.

Employment – The objective of this component is to provide employment opportunities for local residents that would not otherwise be available. YDFDA will continue to recruit and support residents working in the fishing industry as well as to begin making in-roads into other jobs that support the local economy.

Vocational Training – Since 1992 YDFDA has provided a wide range of technical vocational training through AVTEC and other vocational institutions. To date, residents have received training in business and office technology, welding, vessel construction, vessel operation, navigation, diesel technology, heavy equipment operation, plumbing, electronics, medical technology, first aid, marine safety and survival, and culinary arts. In addition, we are expanding the training through AVTEC and other vocational institutions to include aircraft and engine mechanics, computer information systems, professional aircraft operation, surveying, and appraising.

YDFDA also is working with high school age students who have an aptitude for working in the construction trades. The partnership with Alaska Works Partnership and the Lower Yukon School District is an example of efforts to prepare the increasing number of young people for



employment opportunities that are likely to be available in the lower Yukon region in the coming years.

The region is fortunate in having the SMART Training Center in St. Mary's available for training programs, such as the Alaska Works Partnership program held in July 2004. This facility will become an integral part of YDFDA's training and economic development programs as it is easily accessible from other communities in the region and has the infrastructure needed for these programs on a par with other facilities located elsewhere in Alaska.

The employment-training program provides YDFDA residents who have successfully completed training with funds to purchase materials such as clothing, equipment, and tools that they may require for employment.

Internships - The objective of this program is to provide on-the-job training to qualified residents. The program will allow residents to work into higher paying jobs on vessels and in administrative positions. The program also allows residents to utilize their training and work skills in full time employment positions.

Scholarships - Since 2000, the total amount of funds dedicated exclusively to YDFDA scholarships has increased by nearly 100% to over \$2 million.

YDFDA has two sources of college scholarships available to qualified Yukon Delta residents. The first is the CDQ Higher Education Scholarship Fund created through utilization of the Fishery Tax Credit Program that provides scholarships to full time college students attending accredited colleges or universities approved by the State of Alaska Department of Education. We currently have scholarship funds with the University of Alaska, Alaska Pacific University, and Sheldon Jackson College.

In addition, we have created the Yukon Delta Education Fund to provide scholarships to colleges located either inside or outside the State of Alaska. This scholarship program also includes junior colleges and vocational institutions. These scholarships may be used for undergraduate or graduate studies.

We have expanded our scholarship eligibility to include "B Scholarships" that target the non-CDQ villages between Grayling and Mt. Village. These villages reside within the Lower Yukon and Iditarod School Districts and are culturally and geographically considered "in region."

### **3. Regional Fisheries Support Project**

The Regional Fisheries Support Project consists of three components each aimed at increasing the opportunity for fishermen to participate in and benefit from the available commercial fishing opportunities.

Aluminum Boat Fabrication & Repair and Fisheries Support Center - YDFDA will continue building skiffs on a custom basis and making repairs at the Alakanuk facility.

We have expanded production to include aluminum ATV trailers and sleds. To facilitate sale of the skiffs, YDFDA and the Alaska Division of Investments have developed a special loan program to assist qualified residents to purchase these skiffs. Upon completion of the new fabrication facility in conjunction with the fisheries support center, operations will expand to include commercial fishing gear and equipment repair. The facility will employ a mechanic to repair equipment and will have an inventory of repair parts and tools for individual use.

Loan Guarantee Program - YDFDA residents continue to express interest in acquiring limited entry permits. YDFDA guarantees to up to 50% on loans made by the Division of Investments and CFAB to residents. YDFDA believes this will increase the number of residents able to access loans made through these lending institutions. The objective of this project is to enable residents to purchase major equipment and/or permits needed to compete in the local fisheries.

Vessel Safety and Navigation Project - YDFDA provides survival, CPR, and navigation training to area residents. Whether traveling by vessel on the Yukon River or crossing the Bering Sea, safety training is essential. It is also essential to keep current with safety and navigational techniques. Through our in-region, marine fisheries program, YDFDA is the organization best able to provide this training for village residents.

#### **4. Regional Economic Development**

YDFDA's regional economic development program consists of two components: a Rural Development Specialist, who works with the Board of Directors and the Iqalliarvik Economic Development Corporation to assist in local and regional planning and to provide technical assistance on community and economic development projects to regional communities (tribal, city and village corporations); and the regional fisheries economic development project that provides funds to community representatives and organizations that promote economic development opportunities in the Lower Yukon. This latter function directly supports YDFDA and Kwikpak's goal of ensuring the continuation of the Yukon River salmon fishery. YDFDA provides assistance to the Yukon River Drainage Fishermen's Association and the Alaska Department of Fish and Game to better assess the status of the salmon runs. It participates in meetings of the Alaska Board of Fisheries, the Federal Subsistence Board, and US-Canada Yukon River Panel to advocate for the continuation of the fishery within biological constraints. With many forces aligned to limit the lower Yukon fishery, YDFDA's efforts are critical to ensure that the economic and social benefits from the fishery continue to grow. Evidence of success in this area is found in the growth of the king salmon fishery between 2002 and 2004.

#### **5. Outreach Plan**

YDFDA's Outreach Plan is designed to ensure that residents of our member communities are kept informed about our programs, how to participate in them, and how to suggest changes in them. The plan relies on several different methods of disseminating this information so that it reaches every household including written materials such as the Annual Report, the newsletter

“Yukon Drifter,” and through YDFDA staff, including the Village Representatives, who direct residents on how to access YDFDA’s programs.

### **Active Infrastructure Projects**

#### **1. Lower Yukon Regional Salmon Quality Preservation Project**

This program provides funds for local CDQ and non-CDQ communities to purchase ice machines and other salmon preservation equipment. The program builds upon the infrastructure improvements with instruction to commercial fishermen on seafood quality and quality control techniques.

### **Active Fund/Cash Management Project**

#### **1. Reserve Fund**

The goal of this project is to maintain a reserve fund equal to one year’s operation of approximately \$1.5 million, to provide for any unforeseen downturn in the fishing industry, and to invest the monies in the fund in investments that offer an optimum balance of returns and risks.

### **Administrative Efforts**

#### **1. Administration Budget**

In the years 2006-2008, YDFDA’s budget will appropriate not more than 20% of its defined income to administer all CDQ projects, including the required audit, accounting, vessel management, quota management, human resources, governmental agency interaction, and all other YDFDA management and administrative activities. While YDFDA’s assets have grown exponentially during the past five years, growth in administrative overhead has been minimal, though YDFDA proposes to increase staffing to ensure the success of its expanded operations.

## **G. MANAGEMENT STRATEGY TO ACCOMPLISH CDP PROJECTS**

YDFDA’s management responsibilities include direct operation of seafood companies; oversight of the management of other seafood companies in which YDFDA has an equity interest; management of human resources programs, including employment, training, and scholarships; management of a loan program; economic development technical assistance; and the overall administration of the company. The key to YDFDA’s management strategy is to build the in-house capability to operate its growing programs and assets. Consequently, YDFDA will be growing, albeit in a cautious manner, during the upcoming CDQ allocation period.

Hiring staff with the expertise to operate YDFDA’s programs and subsidiary companies is critical. It is especially important when YDFDA is serving in an oversight role that it obtain partners that have a strong performance record in Bering Sea fisheries operations and an equally strong record in providing employment, training, and internship opportunities. Good, competent,

partners combined with hands-on staff from the region has ensured success on two important fronts – one, in harvesting and processing of the CDQ allocation and two, in managing the array of programs and projects for the benefit of our residents. Recognizing that many of the managers within YDFDA’s partner companies will be retiring or finding other pursuits, we will continue to develop seafood management capabilities in-house. We will not be able to rely upon our partners alone over the long term.

Another important facet of YDFDA’s management is adhering to our investment guidelines. When a for-profit project is presented to YDFDA, we immediately review it against the predetermined guidelines for such projects. If we decide to pursue the investment, we complete our due diligence analysis internally and if needed by outside consultants. Those projects that management believes meet the criteria are presented to the Financial Advisory Board for approval. If approved, the proposal is submitted to the Board of Directors for concept approval. If financially feasible, the Board then authorizes the expenditures of funds. Once authorized, the purchase transaction is monitored to make sure it continues to meet the original objectives. For projects not meeting expectations, necessary changes are made to ensure success, or the project is terminated.

To maximize the opportunities for residents to obtain the skills necessary for landing good jobs and to assist in locating jobs, we are creating a Human Resources Department. For job placement we have a Job Placement and Training Coordinator who works with the fishing industry and State Employment Agency representatives to recruit and place Yukon Delta residents in fishing and related positions. Our coordinator works with each village representative to ensure that all residents are aware of and have access to all YDFDA training, internship, job, and scholarship programs. With the increased resources proposed in this CDP, we will be better able to coordinate training with positions actually available in the communities. This more directed training will result in increased long term employment opportunities. Our strategy when choosing harvesting partners is to ensure that they have a strong track record in providing training and internship opportunities, and then have them commit to providing these opportunities in the partnership agreement.

Twenty-five of twenty-seven YDFDA members of the Board of Directors and staff are from, or have lived in the Yukon Delta communities represented by YDFDA. For projects that affect local communities, we rely on the staff and board to determine those projects that will provide the greatest benefit to the residents and communities for the money involved.

## **H. DESCRIPTION OF THE TARGET FISHERIES**

The decision of who should harvest and process the fish, how it should be harvested and processed, and where harvesting should occur are strategically determined so that YDFDA derives maximum benefit out of its CDQ allocations. In order to gain the most from the opportunity afforded by the multi-species CDQ, we will participate in each of the target fisheries.

**Pollock** – YDFDA’s harvesting partner since the inception of the CDQ program, Golden Alaska Seafoods, LLC (“GASLLC”), will harvest a substantial portion the pollock CDQ. GASLLC has an excellent performance record and has minimized bycatch while at the same

time is able to fully utilize all catch due to the fish meal plant on board the M/V Golden Alaska. The M/V Golden Alaska is a mothership operation that utilizes several catcher vessels. YDFDA has purchased an equity position in GASLLC and three catcher vessels (with a fourth pending). The remainder of the allocation, approximately 5,000 mt beginning in 2005, has been licensed on the open market. Pollock fishing occurs throughout the Bering Sea during roe season beginning in January and then from late spring through October. In some years, fishing also is allowed in the Aleutian Islands area.

**Halibut** - The F/V Lisa Marie will conduct the longline fishery for CDQ halibut throughout IPHC regulatory area 4D. Fishing will occur during open fishing periods when market and fishing conditions are most favorable for maximizing profits, normally this being during the months of July and August. Exploratory fishing may show commercial concentrations of halibut off the mouth of the Yukon River that would be harvested by local residents in Area 4E.

**Crab** - Small local vessels will fish the Norton Sound CDQ red king crab. The F/V Lisa Marie, C/P Baranof, and F/V Erla N will harvest Opilio, Bairdi, St. Mathew blue king crab, EAI brown king crab, Adak red king crab, and Bristol Bay red king crab.

The CDQ opilio fishery will take place in the months of March to May as soon as the open access fishery has concluded. Bristol Bay red king crab will be caught in early November immediately after the open access fishery which takes place the middle of October. The CDQ EAI brown crab fishery will take place in August, while the Adak red crab fishery may not begin until after the 2006 season.

**Groundfish** - The target groundfish species groups are Atka mackerel, yellowfin sole, and other flatfish and Pacific cod.

**Atka Mackerel/POP** – Atka mackerel will be targeted by United States Seafoods, LLC and harvested in conjunction with other CDQ group quotas. Fishing for Atka mackerel is concentrated in very discrete areas, such as Seguam Bank, Tanaga Pass, Oglala Pass, and Tahoma Reef. The CDQ fishery will occur in April, May, August, September and early October.

**Yellowfin Sole, Rock Sole, and Other Flatfish** – These species will be targeted by United States Seafoods, LLC, and in conjunction with three other groups' CDQ allocations. CDQ fishing will occur in late January during the rock sole with roe fishery and whenever possible from April through the end of October for yellowfin sole and other flatfish.

**Pacific Cod** - This fishery will be harvested by longliners including the C/P Baranof, C/P Courageous, C/P Alaska Mist, C/P Horizon, C/P Pathfinder, and C/P Liberator. This fishery takes place in the March to May period, again in July and August, and finally in late November through early December.

**Turbot/Sablefish** - Sablefish is an IFQ/CDQ fishery that may be harvested anytime between March and November. The Bering Sea sablefish CDQ quota will be longline pot fished

by the F/V Lisa Marie. Aleutian Island sablefish and turbot will be targeted by longline catcher and longline pot vessels

## **I. HARVESTING & PROCESSING PARTNER INFORMATION**

YDFDA is using its CDQ allocation so that one day it will not require harvesting partners in order to participate profitably in North Pacific fisheries. Until then, YDFDA has carefully chosen fishing and processing partners, whether for royalty arrangements or joint ventures, to ensure that:

- ✓ They have an exemplary record of bycatch reduction, retention, and utilization with well-developed plans for future improvements in these areas.
- ✓ They provide the best training, employment, and career advancement opportunities for Yukon Delta and other CDQ region residents.
- ✓ They are viable and efficient fishing operations with ample fishing history to ensure maximum profitability and returns from CDQ and open access fisheries.

Based on these considerations we have chosen high-quality harvesting partners in the CDQ fisheries.

### ***Harvesting Partners***

YDFDA partnerships involve YDFDA purchasing equity positions in the fishing vessels that will harvest our CDQ. These equity arrangements extend the benefits beyond the CDQ to the open access and other fisheries that these partner boats are engaged in. Not only does YDFDA obtain a royalty for the CDQ, we also gain a share of the profits in the non-CDQ fishery based on our equity share.

**GASLLC** is our harvesting partner in the pollock CDQ fishery and has an outstanding record in all the areas that make up YDFDA's criteria for choosing partners. The M/V Golden Alaska is an excellent employment platform with low turnover and an excellent performance record. The F/V American Beauty and F/V Ocean Leader harvest a portion of our CDQ for the M/V Golden Alaska. YDFDA also plans to employ the F/V Traveler, F/V Pacific Challenger, F/V Vanguard, and F/V Aleutian Challenger to harvest its CDQ allocation.

**Lisa Marie LLC** The F/V Lisa Marie fishes for CDQ king and opilio crab, halibut and Bering Sea sablefish. Icicle Seafoods, Inc. and Westward Seafoods will be the primary processors of CDQ product harvested by the F/V Lisa Marie.

**Romanzof Fishing Company LLC.** The C/P Baranof harvests and processes a portion of CDQ opilio, brown, and king crab and Pacific cod.

**Akulurak, LLC.** The C/P Courageous harvests and processes a portion of the Pacific cod allocation.

**Aleutian Spray Fisheries and Gulf Mist** operate longline catcher processors that harvest and process a portion of our CDQ Pacific cod.

**United States Seafoods LLC** will harvest Groundfish target fisheries and harvest and process Atka Mackerel.

Yukon Delta fishermen will harvest Norton Sound CDQ crab and possibly CDQ halibut if commercial quantities are determined to be available. CDQ crab will be processed by Kwikpak Fisheries in Emmonak or taken to Norton Sound Seafood Products in Nome, owned by NSEDC.

Harvesting Companies									
Target Species Group	Golden Alaska Seafoods LLC	Romanzof Fisheries C/V Baranof	Akulurak LLC C/V Courageous	Yukon Delta Resident Fishers	Lisa Marie LLC.	Gulf Mist Inc. C/P Alaska Mist	Aleutian Spray Fisheries Vessels	United States Seafoods LLC Vessels	Erla N LLC
Pollock	✓								
Halibut				✓	✓				
Sablefish/Turbot					✓				
Crab									
Norton Snd				✓					
Bering Sea		✓	✓		✓				
Aleutian Is		✓							✓
Pacific Cod		✓	✓			✓	✓		
Atka Mackerel								✓	
Flatfish / Yellowfin								✓	

Processing Companies									
Target Species Group	Peter Pan Seafoods Inc.	Uni-Sea Seafoods Inc	Icicle Seafood Inc.	Royal Aleutian Seafoods	Westward Seafoods Inc	Trident Seafoods	Harbor Crown Seafoods	Kwikpak Fisheries LLC	Norton Sound Seafood Products
Pollock									
Halibut	✓	✓		✓	✓	✓	✓		
Sablefish/Turbot	✓			✓	✓	✓	✓		
Crab									
Norton Sound								✓	✓
Bering Sea/AI	✓		✓						
Pacific Cod	✓				✓				
Atka Mackerel									
Yellowfin Sole									

## **J. BENEFITS TO THE REGION**

The 2006-2008 CDQ allocations will enable YDFDA to benefit the residents of the Yukon Delta region as well as other nearby residents in these important ways:

- ✓ Ensure the continuation of a healthy Yukon River salmon fishery both through Kwikpak Fisheries, but also through support of fishery management and active participation in the regulatory process.
- ✓ Increase the opportunities for Yukon Delta residents by creating a Human Resources Department.
- ✓ Increase the number of jobs and fishing opportunities available to Yukon Delta residents. Since 1992, Yukon Delta residents have filled 1,739 various job positions.
- ✓ Create in-region economic opportunities where little exists. Expand participation in the Yukon River salmon fishing and processing, the Arctic lamprey fishery, the Norton Sound crab fishery, and diversify with other underutilized species.
- ✓ Provide opportunities through cultural tourism (fish camp experience).
- ✓ Increase the number of individuals receiving vocational training for work in fishing or other jobs in the industry. Since 1992, Yukon Delta residents have taken advantage of 358 vocational training opportunities.
- ✓ Maintain the number of internships available to allow residents to apply their training and skills.
- ✓ Increase the income and standard-of-living of Yukon Delta households.
- ✓ Improve the availability of higher education through scholarships to Yukon Delta residents and those from nearby villages. Since 1992, Yukon Delta residents have been awarded 229 academic scholarships.
- ✓ Provide guarantees for loans so that Yukon Delta residents can buy equipment/permits to compete in local fisheries.
- ✓ Provide a career path to higher paying jobs in North Pacific fisheries.
- ✓ Reduce the need for public assistance in the region.

Overall the CDQ allocation allows for YDFDA to be the economic engine for the Yukon Delta region, aiming for self-sustaining, economic development compatible with the region's culture and lifestyle.

## **K. LEVEL OF LOCAL PARTICIPATION**

Development of this CDP begins and ends with constant communication with village residents. Communication is fostered in four important ways:

- ✓ Twenty-five of twenty-seven YDFDA Board and staff are from, or have lived in, the Yukon Delta communities represented by YDFDA.
- ✓ Every household in the region receives YDFDA's newsletter that reports on current and future activities of the organization.
- ✓ Quarterly board meetings occur in the region and rotate among the six villages. The meetings are announced ahead of time and residents are encouraged to attend.



- ✓ YDFDA village representatives reside in the communities and attend City Council, Tribal Council, and Native Village Corporation meetings within the Yukon Delta region to promote and report on our activities.
- ✓ Many board members sit on city councils, on tribal councils, on school boards, and on the boards of village corporations.

In addition to this stream of feedback and guidance from village residents, YDFDA held work sessions in each of its member communities in the spring of 2004. Village leaders in addition to board members attended. Every village had strong representation present. The meetings began with a review of existing projects and a request for suggestions on improving those projects. Then, community representatives were asked to suggest new projects, both fisheries-related and non-fisheries related. The results of these meetings were then presented to the Board at meetings in May and again in August, when decisions were made as to what to include in this plan.

This CDP represents a collective, cooperative vision for YDFDA to view the region rather than individual communities. The Yukon Delta region is united. YDFDA has a mandate to develop the commercial fishing potential of the lower Yukon region as well as an equally strong focus on generating profits through investments in Bering Sea pollock, crab, cod, halibut, groundfish, and sablefish fisheries.

#### **L. OTHER**

The YDFDA Board of Directors has developed mission and vision statements that best describe the commitment that the company has to its member communities and their residents.

Mission – To take full advantage of the opportunities provided by the CDQ program so that YDFDA can play a leading role in the economic development of the YDFDA region.

Vision – Through our participation in the CDQ program, YDFDA will be able to make a significant difference in the lives of residents of our region by providing them with opportunities and experiences to best support the fulfillment of their personal goals.